

TO PROHIBIT OIL AND GAS DRILLING IN MOSQUITO CREEK
LAKE IN CORTLAND, OHIO

NOVEMBER 15, 1999.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources,
submitted the following

REPORT

[To accompany H.R. 2818]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 2818) to prohibit oil and gas drilling in Mosquito Creek Lake in Cortland, Ohio, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 2818 is to prohibit oil and gas drilling on federal mineral rights beneath Mosquito Creek Lake in Cortland, Ohio.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 2818 reflects the concerns of some of residents of Trumbull County, Ohio, regarding a proposal for oil and gas development of the mineral rights beneath a U.S. Army Corps of Engineers-administered project known as Mosquito Creek Lake. The U.S. Bureau of Land Management (BLM) field office in Milwaukee, Wisconsin, concurrently prepared a planning analysis and environmental analysis preparatory to a decision whether to lease approximately 11,100 acres of mineral estate acquired by the federal government when the Corps impounded this drainage basin, creating a reservoir about one-mile wide and nine miles long.

The BLM, as the lessor of mineral rights on public domain and federal acquired mineral interests, has sought and obtained surface owner consent from the Corps with stipulations developed in the planning and environmental analyses, including a “no surface occu-

pancy” clause. In other words, to access the federal minerals a successful bidder for the tract (should it be leased) would have to directionally drill from private lands nearby outside a buffer zone surrounding the lake. Standard regulatory requirements of the BLM (commonly known as “Onshore Oil and Gas Orders”) would be imposed, as well as site-specific requirements for abatement of environmental impacts examined in the planning and environmental analyses. BLM was aided by studies conducted by the U.S. Geological Survey and the Ohio Department of Natural Resources. Furthermore, Youngstown State University researchers also studied possible impacts from oil and gas development, concluding that other factors affecting Mosquito Creek Lake water quality pose more serious concerns than the leasing proposal.

Local opposition to the BLM proposal remains strong, primarily because of concerns about spills and contaminant discharges from drilling upon surface and groundwater resources. Nevertheless, the BLM is considering an oil and gas lease sale for these tracts as early as December, 1999. The need for the legislation stems from the Administration’s unwillingness to publically announce that a lease sale will not occur for these lands.

COMMITTEE ACTION

H.R. 2818 was introduced on September 8, 1999, by Congressman James A. Traficant, Jr. (D-OH). The bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources. On October 21, 1999, the Subcommittee held a legislative hearing on the bill hearing testimony from Congressman Traficant; the Honorable Melissa Long, a member of the Cortland City Council, Cortland, Ohio; Ms. Gwen Mason, Associate State Director, Eastern States Office of the U.S. Bureau of Land Management; General Hans Van Winkle, Deputy Commander for Civil Works, U.S. Army Corps of Engineers; and Mr. Tom Stewart, Executive Vice President of the Ohio Oil and Gas Association. In addition, Mr. Samuel Speck, Director of the Ohio Department of Natural Resources submitted written testimony on H.R. 2818. Mr. Traficant and Ms. Long supported the legislation, while all other witnesses opposed the need for this bill. On October 27, 1999, the Full Resources Committee met to consider the bill. The Subcommittee on Energy and Mineral Resources was discharged from further consideration of the measure by unanimous consent. No amendments were offered, and the bill was ordered favorably reported to the House of Representatives by voice vote.

SECTION-BY-SECTION ANALYSIS

H.R. 2818 has but one section, which is a simple provision barring the commencement of drilling to extract oil or gas from lands beneath the impoundment. Additionally, the bill directs the Attorney General to enforce this prohibition.

H.R. 2818 does not bar the BLM from its proposed lease sale of tracts beneath Mosquito Creek Lake, per se, and if the bill were to be enacted before BLM held such a sale, presumably whatever bidding interest now exists would be virtually extinguished. However, the Committee believes that if the bill were to become law subsequent to the issuance of oil and gas leases, serious questions

as to a taking of private property would arise, given the contractual lease rights of lessees to develop that which they have successfully bid upon.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 and Article IV, section 3 of the Constitution of the United States grant Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in tax expenditures. Enactment of this bill, according to the Congressional Budget Office, could reduce offsetting receipts.

3. Government Reform Oversight Findings. Under clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform on this bill.

4. Congressional Budget Office Cost Estimate. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 10, 1999.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2818, a bill to prohibit oil and gas drilling in Mosquito Creek Lake in Cortland, Ohio.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Megan Carroll (for federal costs), and Marjorie Miller (for the state and local impact).

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

H.R. 2818—A bill to prohibit oil and gas drilling in Mosquito Creek Lake in Cortland, Ohio

CBO estimates that implementing H.R. 2818 would reduce offsetting receipts by about \$125,000 over the 2000–2004 period. Because the bill would affect offsetting receipts (a form of direct spending), pay-as-you-go procedures would apply. H.R. 2818 contains no inter-governmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. Counties in Ohio would lose about \$75,000 per year if this bill is enacted. The bill would impose no costs on other state, local, or tribal governments.

H.R. 2818 would prohibit drilling to extract oil or gas from lands beneath waters under the jurisdiction of the United States in Mosquito Creek Lake in Cortland, Ohio. Under current law, the Bureau of Land Management (BLM) is likely to lease approximately 11,100 acres of the mineral estate under the lake for oil and gas development. Based on information from BLM, we estimate that leasing this land will generate annual receipts of about \$100,000 starting in fiscal year 2000. State and local governments would receive 75 percent of such receipts. Therefore, we estimate that enacting H.R. 2818 would reduce net offsetting receipts to the government by about \$25,000 a year starting in 2000.

The CBO staff contacts are Megan Carroll (for federal costs), and Marjorie Miller (for the state and local impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104–4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.